

Shopping centres: A fall in visitor traffic and sales of shopping centres

Author: SF / pb | Published: 09.02.2010

The Czech shopping centres recorded a year-on-year fall by 5-6 % in visitor traffic and a fall in sales by 10-30 %. Sales Director of Unibail-Rodamco, Martin Macháč said this at a conference about retail named Retail Summit. Last year the visitor traffic as well as sales of shopping centres were negatively affected mainly by people's fears of further development of the Czech economy. The highest fall in demand reportedly occurred in fashion shops.

The developers have practically ceased construction of new projects. Shopping centres marketed in the years 2008 and 2009 are facing slow growth and a high fluctuation of tenants, said Macháč. An example is the new outlet centre in Prague-Ruzyně which has been empty for over a year as it has not managed to find tenants. The managing director of the chain Hervis noted at the conference that many shopping centre operators now require lower rent than before when it was, in his opinion, extremely high. In the background of the expansion downturn is also the fact that there is not a city with the population of over 50 000 people where there is no shopping centre or where developers have not introduced plans to build one. The period of filling white spots on the maps is slowly coming to an end in the CR and every new centre will be a direct competition to another, generally an established project. One of the trends will be the end of construction at the cities' outskirts; city centres are bound to be in the focus of developers. The economic crisis in the Czech Republic has accelerated opening of scissors between the successful centres which had problems already before the outburst of recession, according to the consultancy DTZ. "Investors expanded into projects which had been unsuccessful from their beginnings," mentioned Semrád. He thinks that some of the less successful centres paid for example for their bad location or unsuitable tenant structure. Some significant changes in the form of reorientation to another type of tenants and customers awaits some of the less successful shopping centres.

09.02.2010 09:28, SF / pb